

STATEMENT OF CONSIDERATIONS

**REQUEST BY SOLAREX CORPORATION FOR AN ADVANCE
WAIVER OF U.S. AND FOREIGN RIGHTS UNDER SUBCONTRACT
NO. ZAI-4-11294-01 UNDER DOE PRIME CONTRACT NO.
DE-AC02-83CH10093, WAIVER NO. W(A)-93-030, CH0789.**

The attached petition by Solarex Corporation (hereafter Solarex) is for an advance waiver of patent rights under Subcontract No. ZAI-4-11294-01, under DOE Contract No. DE-AC02-83CH10093. Solarex requests that the Department of Energy grant an advance waiver for the domestic and foreign rights to inventions for use in photovoltaics and made in the performance of work under the above identified subcontract and that these rights vest in Solarex subject to the standard Advance Waiver Patent Rights Clause with the enclosed U.S. Competitiveness paragraph as previously agreed to. Additionally, Solarex has accepted the standard background patent and data provisions for licensing of third parties and has agreed that the advance waiver of the Government's rights in inventions developed under the cited subcontract will be subject to the usual march-in rights, U.S. manufacturing preference, and U.S. Government license comparable to those set out in 35 U.S.C. 202-204.

DOE, through the Photovoltaic Material (PVMaT) Project, is encouraging cooperative activities with industry and providing tangible assistance for identifying and overcoming major technical obstacles to improving photovoltaic manufacturing technologies.

The scope of work under the above subcontract involves: improving photovoltaics (PV) products, accelerating PV manufacturing cost reduction, and laying the foundation for significantly increasing production capacity. To accomplish this Solarex has proposed upgrading its present polycrystalline silicon manufacturing facility.

As indicated in Answer 8 of the petition, if the advance waiver were granted, Solarex states that they will be willing to release technical data to NREL, DOE and the PV industry which otherwise would be treated as trade secrets. In addition, Solarex indicated that approval of the Advance Waiver Petition would act as an incentive for Solarex to make large capital investments to their crystalline production facility.

The proposed subcontract would cover a three (3) year performance period, at an estimated cost of \$6,355,644, with Solarex cost sharing at a rate of 50% (\$3,177,822) of the estimated total cost.

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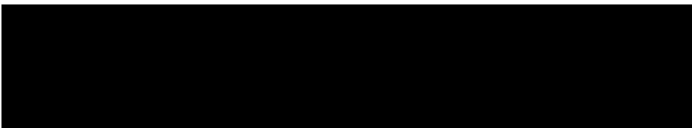
According to Answer 4 of the Solarex petition, Solarex has extensive experience in crystalline silicon materials development and manufacturing and is one of the largest manufacturers of PV cells and modules in the world. According to Answer 7 of the petition, Solarex has fifteen years of technical experience in the development of PV wafers, cells and modules and plans to commercially employ the results of the subcontract in their production facility upgrade.

Granting of the waiver should not have an adverse effect on competition or market concentration due to the presence of several US PV manufacturers. Further, other PV manufacturers have subcontracts under the PVMaT program and are pursuing similar requests for the right to elect title.

In summary, Solarex will cost share at a rate of fifty percent. Granting the waiver will improve Solarex's position in commercializing the developed technology and will encourage Solarex to increase its capital investment in this field. To promote U.S. Competitiveness, Solarex has agreed to the attached U.S. Competitiveness provisions, subject to the approval of the requested waiver. This is the same U.S. Competitiveness provision used in the PVMaT subcontract between SOLAREX and NREL, Subcontract No. ZM-2-11040-2.

Upon evaluation of the Waiver Petition and in view of the objectives and considerations set forth in 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver be granted.

Sincerely,


Bradley W. Smith
Intellectual Property Law DivisionDate: 3/24/94

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Based on the foregoing Statement of Considerations and the representations in the waiver request, it is determined that the interests of the United States and the general public will best be served by a waiver of the patent rights of the scope described above and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this subcontract where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

Approval:

Robert M. Poteat
Acting Assistant General Counsel
for Technology Transfer
and Intellectual Property

*I recommend signature
as the contract is comply with
Photovoltaic Conference
Division
polices
in patent
waiver
considerations.
Royall
5/11/94*

Robert H. Annan
Director, Office of
Solar Energy Conversion

JUN 13 1994

U.S. COMPETITIVENESS PARAGRAPH

- (ix) **U.S. Competitiveness:** The Subcontractor (waiver recipient) agrees that in the event it elects to commercially manufacture any product embodying any waived invention hereunder, or produce any product through the use of any waived invention hereunder, such product will be manufactured substantially in the United States for a period of five (5) years after the expiration date of this contract, or until the start-up of commercial production by the Subcontractor (alone or in partnership with others) of a U.S.-based commercial plant (annual rated PV module production of at least 10 MWp) embodying such waived invention, whichever is earlier, unless the subcontractor can demonstrate to DOE, under the standard of commercial reasonableness, that it is not commercially feasible to do so.

In the event that prior to such start-up of commercial production or within five (5) years of the expiration date of this subcontract, the Subcontractor, after the demonstration to the DOE provided for above, manufactures or licenses manufacture of products in a foreign country embodying any waived invention hereunder or produced through the use of any waived invention hereunder, which invention is claimed in a U.S. patent, there will be a requirement for a mutually agreed-upon repayment agreement for repayment over a twenty (20) year period of DOE's contribution under the subcontract to the development of such waived inventions.

The Subcontractor agrees that it will not license or assign any waived invention to any entity unless that entity agrees to these same requirements.



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General Office (Chicago): (312) 856-2460

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John Albrecht

DOE

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Frank J. Sroka

AMOCO CORPORATION

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Dear John: I believe that Washington DOE and John Corsi of Solarex have agreed to the following language. Frank J. Sroka/pjb